

**USDA - FARM SERVICE AGENCY – LANE CO**

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**COUNTY COMMITTEE**

Pam Detering  
Andy Petersen  
Darrel Spiesschaert

**OFFICE STAFF**

Jean A Larkin, CED X101  
Patti S Anderson, PT X100  
Phillip R Morton, PT X105

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*Farm Loan Manager, Tangent Service Center Pat Joerger, 541.967.5925, X109*

[pat.joerger@or.usda.gov](mailto:pat.joerger@or.usda.gov)

**Hours: Mon-Fri, 8:00 am – 4:30 pm**

**Publish Date: January 6, 2009**

**NEW COMMITTEE MEMBER ELECTED**

Congratulations to **Darrel Spiesschaert** who was elected to represent farmers from the southern, western, and Oakridge areas of Lane County on the County Committee (COC). Election results for Local Admin Area 3 are:

Darrel Spiesschaert, Eugene  
Al Ollivant, Cottage Grove  
Pat Goodwin, Eugene

Elected to COC  
1<sup>st</sup> alternate to COC  
2<sup>nd</sup> alternate to COC

FSA appreciates all of the voters for taking the time to complete the election ballot. The County Committee system works only because of your participation. In January, the Committee members will hold their organizational meeting to determine who will serve as the COC Chairperson and Vice-Chairperson.

**Harry McIntire of Cottage Grove retires from the Lane COC after reaching his term limit of nine years of dedicated service to the agricultural producers of Lane County. His expertise and commitment will be missed by the Committee, office staff, and Lane County producers. Thank you Harry for your service!**

**ATTENTION PRODUCERS... INFORMATION MEETING... THURSDAY, JANUARY 29, 2009, 9:00 AM – 11:30 AM**

The meeting will be held at the Extension Office Auditorium (950 W 13<sup>th</sup> Eugene) to present the following information:

- Farm Service Agency (FSA) new and existing programs: Conservation, Disaster Assistance, revised Payment Limitation rules, Direct & Counter cyclical Program/Average Crop Revenue Election Program, and others.
- Staff from the Tangent FSA Office will be present to review Farm Loan Programs.
- Risk Management Agency (RMA) will have a Specialist here to review Federal Crop Insurance Programs including the Livestock Risk Protection coverage, Adjusted Gross Revenue program, and individual crop policies that are available in Lane County.
- Natural Resources Conservation Service (NRCS) will present their technical and financial assistance programs and farm planning assistance.
- Upper Willamette Soil & Water Conservation District (UWSWCD) will discuss their technical and financial assistance programs and Senate Bill 1010.
- Ross Penhallegon of the Lane County Extension Service will provide details on the Farm Business Management program, Pesticide Disposal program, and other items pertinent to Lane Producers.

All are invited to attend. Special accommodations will be made, upon request, for individuals with disabilities, vision or hearing impairment. If accommodations are required, contact Jean Larkin at (541) 465-6443 Ext 101 prior to the meeting.

**FOREIGN INVESTORS NOTIFICATION** - The Agricultural Foreign Investment Disclosure Act requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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## **HIGHLIGHTS ON 2008 FARM BILL CHANGES**

### **Payment Limits by Program for 2009:**

DCP – Direct Payments	\$40,000	SURE, LIP, LFP, ELAP	\$100,000
DCP - Counter-Cyclical and ACRE	\$65,000	CRP Annual Payments	\$50,000
Non Insured Assistance	\$100,000	LDP and Market Gain	Unlimited

### **PAYMENT LIMITATION – DIRECT ATTRIBUTION**

With the passage of the Farm Bill, new procedure has been implemented for tracking and setting payment limitations for all programs. In the past, the County Committee made “person” determinations for each operation and payment limitations were assessed by “person”. Also, husbands and wives were automatically combined as “persons” unless they requested to be separate. Each spouse then had to be determined to be actively engaged in a farming operation and had to meet the “person” requirements on their own. In addition, a three permitted entity rule applied, which meant producers could potentially receive payments through up to three permitted entities.

Beginning with the 2009 program year, the term “person” is no longer used. Instead, each payment limit will be tracked to the “warm body” through direct attribution. Husband and wives will no longer be combined. The three permitted entity rule has been repealed, meaning there are no restrictions on the number of entities a producer can be involved with. However, if an individual operates as an individual and is a member of an entity, the entity’s payment could be reduced if the individual reached the payment limitation as an individual first.

Following is a basic example of the change between the 2008 year and the rules effective for 2009; it does not apply to any one person or entity in particular.

Example – DCP Direct Payment limit equals \$40,000. Farmer A operates as an individual. Farmer A and Farmer B each have a 50% interest in Corporation A. Assuming both Farmer A and Corporation A meet the \$40,000 payment limit, the following shows the difference between payments received from 2008 and 2009.

#### **2008**

- Farmer A receives \$40,000 as an individual
- Corporation A receives \$40,000 as an entity
- Total payment received equals \$80,000

#### **2009**

- Farmer A receives \$40,000 as an individual
- Corp A would receive \$20,000 because one of its members (Farmer A) has already received \$40,000 and has met the payment limit. Therefore, Farmer A’s 50% share in the entity is not paid.
- Total payments received equals \$60,000

### **ADJUSTED GROSS INCOME (AGI) CHANGES**

For 2009 and future years the AGI rules have changed as follows:

We will be looking at the average adjusted gross income of the three previous years preceding the most recent tax year; for 2009, the years reviewed are 2005, 2006, 2007. There are three qualifying levels for AGI provisions:

\$500,000 Nonfarm Income – if a person or legal entity has average AGI nonfarm income that exceeds \$500,000, the person or entity is ineligible for all commodity program payments and benefits;

\$750,000 Farm Income – if a person or legal entity has average AGI farm income that exceeds \$750,000, the person or entity is ineligible for DCP direct payments only;

\$1,000,000 Nonfarm Income – if a person or legal entity has average AGI nonfarm income that exceeds \$1M the person or entity is ineligible for all conservation program benefits unless at least 66.66% of total AGI is average adjusted gross farm income.

### **2009 DIRECT & COUNTER-CYCLICAL PAYMENT (DCP) PROGRAM**

2008 Farm bill reauthorized the DCP Program through 2012. Participation continues with few changes. Producers sharing in the DCP payment are required to sign the contract (form CCC-509) by June 1, 2009. No late filing exceptions. All supporting documentation (i.e. CCC-902, AD-1026, CCC-926, leases, etc) must be submitted before payments can be issued. Annual acreage reports are required to be filed by June 30, 2009.

Payments will not be earned by farms with 10.0 acres or less of crop acreage base unless the farm is wholly owned by a socially disadvantaged or limited resource farmer or rancher.

The planting fruits, nuts, vegetables, or wild rice on base acres on the farm is prohibited and shall result in a violation unless one of three exceptions are met. Details on these exceptions are in our office.

Payments are computed by multiplying: 83.3 % of the crop acreage base times; yield of base crop times; payment rate times; producer share. Advance payments may be issued if all documentation has been provided; advance rate is 22% of total direct payment.

Direct Payment Rates for 2009:

Barley	\$0.24/bu	Other Oilseeds (Canola, Crambe, Flaxseed, Mustard Seed,	\$0.80/cwt
Wheat	\$0.52/bu	Rapeseed, Safflower, Sesame Seed, or Sunflower Seed)	
Field Corn	\$0.28/bu		
Oats	\$0.024/bu		

Counter-cyclical payments are authorized for a covered commodity when the effective price for the commodity is less than the target price of the commodity. The effective price for a covered commodity is equal to the sum of:

- The higher of the national average market price received by producers during the 12-month market year or the national average loan rate for the commodity.

#### **AVERAGE CROP REVENUE ELECTION PROGRAM (ACRE)**

ACRE is a component of the Farm Bill safety net that protects against crop revenue shortfall resulting from price and/or production declines at the state and farm level. A farm must have base acres on it to be eligible. All producers (operator and owners) on a farm must agree to participate in ACRE and file an election form. The decision to participate can be made by June 1<sup>st</sup> of any year 2009-12, once the decision has been made to participate in ACRE, it is irrevocable. By enrolling a farm in ACRE that farm is no longer eligible for counter-cyclical payments, a 20% reduction in direct payments will apply and a 30% reduction in marketing assistance loan rates will apply. Payments are based on crops planted on the farm, not base acres, but the planted acres in which payment is calculated cannot exceed the total base acres on the farm. If enrolled in ACRE, five years of production data must be provided to establish a crop history and annual submission of production records are required.

Farms enrolled in ACRE may receive two types of payments: direct payments and ACRE payments. For an ACRE payment to be made, two triggers must be met. 1. The State Acre Guarantee must exceed the Actual State Revenue, 2. The Farm Acre Benchmark Revenue must exceed Actual Farm Revenue. If these two triggers are met, the ACRE payment is calculated using the following calculation:

83.3% of the farm's planted/considered planted acres for 2009-11; 85% in 2012 times (farm's expected yield divided by State benchmark yield) times lesser of (State ACRE Guarantee minus Actual State Revenue) or (State ACRE Guarantee times 25%) More details on this program at a later date.

#### **SUPPLEMENTAL REVENUE ASSISTANCE PAYMENTS (SURE)**

SURE program is a new disaster program which will provide assistance for crop production and/or quality losses due to natural disasters. It will replace ad-hoc disaster programs and allow for a permanent program to deal with crop losses. This is a revenue based program that looks at an entire farming operation to determine payment amounts. SURE will be available in Secretarial declared disaster counties and those contiguous, and/or to individual producers who suffer at least a 50% production loss.

To be eligible for SURE you must have obtained Federal Crop Insurance and/or NAP on all of your crops. Most of these deadlines have already passed for 2009 crops. There is now an exception for crops that are not economically significant (less than 10% of the farm's income), these do not have to be insured or covered by NAP. However if they are not covered, the crop is not included in either end of the equation when calculating losses. Also, NAP coverage is not required on crops and rangeland intended for grazing. NAP is required on grazed crops to qualify for the Livestock Forage Program (LFP).

The SURE program will not offer any immediate payments. Payments will be based on average market prices after harvest and final computations will not happen until the following year. The program compares actual total revenue to the expected revenue for a producer's farming operation; this equals the sum of all crop acreage in all counties that is planted or intended to be planted for harvest, including haying. The SURE program will pay 60% of the difference between expected revenue and actual revenue to eligible producers.

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Office closures: **January 19** Martin Luther King Jr Birthday

**February 16** George Washington Birthday

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#### **FSA SIGNATURE REQUIREMENTS**

Proper signatures on FSA contracts, applications and forms must be submitted before the document will be considered as filed. All entities, including trusts, corporations, partnership, estates, etc. must provide evidence of signature authority stipulating those individuals who are authorized to represent the entity.

Examples of acceptable evidence include trust agreements, corporate charters or resolutions, partnership agreements and court order of appointment. Spouses can sign for one another on most program documents unless written notification denying a spouse this authority has been provided to the county office. An FSA-211, Power of Attorney, or other non-FSA documentation may be filed to delegate signature authority for FSA program purposes to another individual.

When signing for an entity, the person with signing authority should always sign "by" or "for" indicating their authority to sign. Such as: ABC Farm Inc, by John Doe, Secretary // Jim Smith, partner for XYZ Ptn // Jane Doe, by John Doe, Spouse

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**MILK INCOME LOSS CONTRACT (MILC) PROGRAM** – was reauthorized by the 2008 farm bill. Program benefits are earned by milk producers if the Boston Class 1 price for milk falls below the target price of \$16.94 per cwt in any month from October 2007 through September 2012. From January 2008 through August 2012, the target price is increased if the national base feed cost is greater than \$7.35 per cwt. There are two signup periods:

Initial signup began Dec 22, 2008 and ends January 21, 2009. During this signup Producers that submit enrollment form CCC-580 can make the following MILC production start month selections for FY 2009: the month CCC-580 is submitted and any month that precedes the month CCC-580 is submitted or any month remaining in FY 2009. For FY 2010 through 2012, any month for each FY may also be selected during the initial signup phase.

Extended Signup Phase begins on January 22, 2009. The signup will continue throughout the duration of the MILC program ending on September 30, 2012. Producers that submit CCC-580 can select as the MILC production start month either: the month CCC-580 is submitted, or from the remaining months in FY in which CCC-580 is submitted for which the payment rate is not known.

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**RETURN SERVICE REQUESTED**

**From the Extension Service and Lane Community College/Business Development Center:**

*We are excited to announce a change in our Farm Business Management Program. Over the summer Lane's Business Development Center and the Oregon State University (OSU)/Lane County Extension Service have created a partnership to bring you expanded services for the Farm Business Management Program. The Program will have essentially the same format as last year, with classroom training once a month and scheduled one-on-one advising available throughout the month. The advantage to you will be that this partnership will give you more in-depth agricultural advising services and resources PLUS the existing business development and management services you are already experiencing through the program.*

*Ross Penhallegon, Extension Horticulture Agent, has the lead role in the program. Ross has been an OSU Extension Agent for 24 years. We are pleased to be able to bring you this level of expertise for your business.*

*The times and dates for the program classes are targeted to start in January. In the meantime, if you have any questions, please contact Ross at 682-7313, Shir Meads at 463-4622., or Gene Hamacher at 463-4623.*

*The classes are FREE for the 2009 year so take advantage of this great offer!*

*Shir Meads, Operations Manager  
Business Development Center, Lane Community College*

**LDP DEADLINE: FILE FOR WOOL & PELTS** - January 31, 2009 is the deadline to request loans or Loan Deficiency Payments (LDP) on 2008-crop shorn wool, unshorn pelts, and mohair.

Crop year is based on the calendar year in which the wool/mohair is shorn. For unshorn pelts it is the calendar year in which the unshorn lamb is slaughtered. Call Patti at Ext 100 for more info.

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**FSA PAYMENT PROCESS** - Local FSA offices will no longer issue checks or direct deposits to producer accounts. This process that originates in local offices will now be completed by the national processing site in St Louis MO. Your payment statements and checks will come from that site. Those who still receive payment by paper check will find an additional 5-7 day delay.

Please remember to keep us informed as to account and banking institution routing number changes. This will keep your payments flowing in a timely manner.

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Sign up for eGov, to conduct business with FSA. Go to <http://www.sc.egov.usda.gov> and use your home computer to file forms, apply for programs, check contracts and view your Customer Statement or payment history. All you need is Level 2 eAuthorization, a valid email account and your home computer. Contact us for more details.